GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5045
ANSWERED ON:26.04.2002
EXPENDITURE IN PUBIC SECTOR BANKS
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Will the Minister of FINANCE be pleased to state:

(a) whether management expenses of the public sector banks have been continuously increasing;

(b) if so, the details of the amount spent as management expenses in public sector banks during the financial years 1998-99, 1999-2000 and 2000-2001;

(c) whether administrative expenses of these banks have also increased continuously;

(d) if so, the details thereof during the aforesaid period;

(e) whether the Government have formulated any scheme to bring down these expenses; and

(f) if so, the details of the scheme so formulated ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a),(b),(c)&(d): According to Reserve Bank of India (RBI), the administrative and other expenses of public sector banks has increased during the last three years, from Rs.20450 crores in 1998-99 to Rs.22461 crore in 1999-2000 and further Rs.28013 crore in 2000-2001.

(e)&(f): The public sector banks have been advised to reduce costs by introduction of Voluntary Retirement Scheme (VRS), technology upgradation, organizational restructuring, rationalization of branch network etc.